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Press release from the offices of Irving H. Picard, SIPA Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), and Josephine Wang, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC)

Madoff Trustee Requests Allocation of More Than \$44 Million to Customer Fund and Court Approval to Distribute More Than \$33 Million to BLMIS Customers With Allowed Claims

Fourteenth Pro Rata Interim Distribution Will Bring Aggregate Customer Payout in Madoff Liquidation to More Than \$14.36 Billion

NEW YORK, NEW YORK and WASHINGTON, DC – December 9, 2022 – Irving H. Picard, Securities Investor Protection Act (SIPA) Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), filed a motion today in the United States Bankruptcy Court for the Southern District of New York seeking approval for an allocation of more than \$44 million in recoveries to the BLMIS Customer Fund and an authorization for a fourteenth pro rata interim distribution of more than \$33 million from the Customer Fund to BLMIS customers with allowed claims. A hearing on the motion has been scheduled for Wednesday, January 18, 2023 at 10:00 a.m. EST.

The proposed fourteenth pro rata interim distribution is the result of approximately \$14.35 million in settlements and recoveries achieved by the SIPA Trustee and the legal teams since the last interim distribution in February 2022. The proposed distribution includes the release of a \$14.5 million general reserve that was previously allocated to the Customer Fund and held for unknown contingencies.

“SIPC is committed to working with and supporting the SIPA Trustee and his team as they continue to pursue the recovery of stolen customer funds within the judicial system,” said Josephine Wang, President and Chief Executive Officer of the Securities Investor Protection Corporation (SIPC). “On behalf of SIPC, I would like to thank the SIPA Trustee and the dedicated SIPC and Trustee teams for their tireless efforts this year. We look forward to more victories and recoveries in 2023 for the benefit of customers.”

“We are proud to continue our quest to recover additional funds and return them to defrauded claimants,” said Mr. Picard. “I am grateful for the commitment of our legal team, led by David Sheehan, for realizing more recovered funds than in any other case of its kind, and to SIPC for its

support in making this happen. With this pending distribution we will have returned more than 70 percent of the stolen funds to BLMIS customers with allowed claims.”

“This has been a strong year for us on the judicial front,” said David J. Sheehan, Chief Counsel to the SIPA Trustee. “The courts continue to reject the arguments by defendants that they should be allowed to retain funds that belong to other Madoff victims. Many of these cases involve sophisticated institutions that failed to meet their fiduciary responsibilities, thereby allowing the fraud to go undiscovered for years. I am hopeful that we will be able to hold these institutions accountable and there will be additional recoveries in the coming years.”

Fourteenth Distribution Will Bring Total Amount Restored to More Than \$14.36 Billion

When combined with the prior thirteen distributions, the fourteenth distribution will equal 70.630% percent of each customer’s allowed claim amount, unless that claim has been fully satisfied. The aggregate amount distributed to eligible BLMIS customers will total more than \$14.36 billion, including approximately \$849.9 million in advances committed by SIPC.

As of October 31, 2022, the SIPA Trustee has recovered or reached agreements to recover approximately \$14.541 billion. This recovery far exceeds any prior restitution effort related to Ponzi schemes both in terms of dollars and percentage of stolen funds recovered.

The proposed distribution will be paid on claims relating to 780 BLMIS accounts and represents approximately 0.178% of their net equity claims, with an average payment amount of \$42,679.08. When combined with the previous thirteen distributions and \$849.9 million in advances committed by SIPC, 1,514 accounts with an allowed claim amount of up to \$1,701,900.07 will be fully satisfied following the fourteenth interim distribution.

No funds recovered in the Madoff Recovery Initiative are used to pay costs associated with the recovery. All trustee, legal, and accounting fees, as well as administrative expenses, are paid by SIPC.

The Fourteenth Customer Fund Allocation and Distribution Motion can be found on the United States Bankruptcy Court’s website at <http://www.nysb.uscourts.gov/>; Bankr. S.D.N.Y., No. 08-01789 (CGM). It can also be found on the SIPA Trustee’s website along with more information on the BLMIS liquidation at: www.madofftrustee.com.

Ms. Wang and Messrs. Picard and Sheehan would like to thank Seanna Brown and Heather Wlodek of BakerHostetler, who worked on the fourteenth pro rata interim distribution and its related filings, as well as BakerHostetler, Windels Marx and all of the attorneys and professionals whose work has led to the distribution. They would also like to thank Vineet Sehgal and his colleagues at AlixPartners, as well as Michael Post, Kevin H. Bell, Nathanael Kelley, Nicholas Hallenbeck, and their colleagues at SIPC, for their ongoing work and participation in the Madoff Recovery Initiative distributions.

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